

MOJAVE DESERT

AIR QUALITY MANAGEMENT DISTRICT



The Carl Moyer Standards Attainment Program

Call for Projects

I. PURPOSE

The Mojave Desert Air Quality Management District (MDAQMD) will receive applications for projects for its ongoing Carl Moyer Standards Attainment (Carl Moyer) Program. The objective is to achieve emission reductions from heavy-duty vehicles, off-road vehicles and other equipment operated within the MDAQMD. The emission reductions will be achieved through the deployment of low-emission engines or retrofit technologies and must be real, surplus, quantifiable and otherwise consistent with the Carl Moyer Program Guidelines. Funding for the program is provided by the California Air Resources Board (CARB) and the District.

II. INTRODUCTION

This Call for Projects sets forth the procedures for applying for MDAQMD Carl Moyer Program funds. The total funding which is currently available to all project types is \$709,806. Eligible types of projects include:

- ◆ Repowers of existing engines with new CARB certified lower emission diesel, natural gas, or propane engines or with electric motors
- ◆ Replacement of existing diesel equipment with new equipment.
- ◆ Retrofit of existing diesel engines with certified emissions reducing equipment kits

Eligible type of equipment include:

- ◆ On-road heavy duty (GVWR of 14,000 lbs. or more) buses and trucks
- ◆ Off-road farm and construction equipment (50 Bhp or more)
- ◆ Auxiliary Power Units (APU's)
- ◆ Agricultural irrigation pump engines (50 Bhp or more)
- ◆ Locomotives
- ◆ Forklifts (diesel, natural gas or propane to electric only)
- ◆ Airport Ground Support Equipment (GSE)

To expedite program implementation, projects potentially eligible for Carl Moyer Program funding will be evaluated by MDAQMD staff and recommended for funding on a first-come, first-served basis if they meet the Carl Moyer Program criteria. In the event the total amount of the proposals received in the first five MDAQMD business days of the program's opening exceeds the total amount of funds available, the Mobile Source Emission Reductions Committee will be convened and the projects subjected to competitive review and award by the Governing Board. After the initial award, if funds remain, staff will recommend eligible projects for funding on a first-come, first-served basis until all of the available funds are committed. The APCO will execute agreements for approved projects.

Projects should be designed to ensure that the emission reductions expected through the deployment of low-emission technology under this program are real, surplus, and quantifiable. MDAQMD intends to retire all emission reductions resulting from funded projects as part of meeting air quality attainment goals.

III. SCHEDULE

All dates are 2003 unless otherwise noted.

<u>DATE</u>	<u>EVENT</u>
September 22	Call for Projects available
October 22, 5:00 p.m.	Applications received to date will be totaled; if the total amount requested from the eligible projects during the first five business days exceeds funds available, these projects will be competitively reviewed

Dependent upon the total dollar amount of the initial applications received, different time frames and processes will apply. The schedules below cover each scenario.

Initial applications exceed available funds	
October 27, 2003- December 18, 2003	Competitive application review; Committee develops recommendations
January 26, 2004	Governing Board approves or rejects recommendations
February 2, 2004 – March 1, 2004	Contract preparation & execution

Initial applications < available funds	
October 27, 2003 – January 5, 2004	Staff reviews applications and prepares recommendations to Governing Board
January 26, 2004	Governing Board approves or rejects recommendations on applications received
February 2, 2004 – March 1, 2004	Contract preparation & execution
ONGOING	Staff reviews applications and prepares recommendations to Governing Board for projects on a first come first served basis until all available funds have been awarded.

IV. ELIGIBLE PROJECTS/SELECTION CRITERIA

The following is a brief overview of the selection criteria for the various project categories. Applications will be subject to the criteria in CARB's Guidelines. The complete Carl Moyer Program guidelines are available on MDAQMD's web site at http://www.mdaqmd.ca.gov/carl_moyer/moyer.htm or on CARB's website at http://www.arb.ca.gov/msprog/moyer/2003GuidelinesRevision-final_022803.doc. To request a hard copy of these guidelines, contact the MDAQMD at (760) 245-1661, ext. 5706.

- ◆ **Gasoline, diesel or propane fueled forklifts:** A self-propelled off-road vehicle that is designed for the handling of materials and products. Only the replacement of a Class 4 or Class 5 forklift with a Class 1 forklift is eligible for the program.
 - ◆ Class 1 forklift: Powered by an electric motor, sit-down rider or counter-balanced trucks with cushion or pneumatic tires.
 - ◆ Class 4 forklift: Powered by an internal combustion engine, sit-down rider with cushion tires.
 - ◆ Class 5 forklift: Powered by an internal combustion engine, sit-down rider with pneumatic tires.
 - ◆ For forklifts with a lift capacity of 3000-5,999 pounds, the maximum cost effectiveness is \$3,000 per ton of NO_x reduced.
 - ◆ **Prior to funding**, at least one site visit will be required to collect additional required information.
 - ◆ Additional restrictions may apply – contact the MDAQMD before submitting an application.
- ◆ **Airport Ground Support Equipment (GSE):** Engines used in support of commercial aircraft operations. ICE powered equipment must be replaced with new electric equipment.
 - ◆ Additional restrictions may apply – contact the MDAQMD before submitting an application.
- ◆ **Auxiliary Power Units (APU's):** Self-contained power generating devices installed in an on-road heavy-duty vehicle to reduce the vehicle's idling emissions. The new equipment's engine must be certified to the off-road NO_x emission standard in effect at the time of purchase, and must reduce NO_x emissions by at least 15 percent compared to baseline idling NO_x emissions. APU's including installation of the required hour meter are eligible for a maximum of \$1,500 per diesel powered unit and a maximum of \$3,000 per alternative fuel, electric motor, or fuel cell powered unit.
- ◆ **FOR ALL OTHER CATEGORIES THE FOLLOWING GENERAL GUIDELINES APPLY:**
 - ◆ All projects must meet a cost-effectiveness criterion of \$13,000 per ton of NO_x reduced.
 - ◆ Funded projects must operate for a minimum of 5 years and at least 75 percent of operation/fuel consumption must occur in MDAQMD (or award may be reduced proportionally); and
 - ◆ NO_x reductions obtained must not be required by any existing regulations, memoranda of understanding/agreement, or other legally binding documents, or for mitigation under the California Environmental Quality Act;
 - ◆ The equipment may not be registered under a CARB statewide portable permit.
 - ◆ Reduced-emission engines or retrofit kits must be certified for sale in California and must comply with durability and warranty requirements. Qualified engines include new CARB-

certified engines, CARB-certified aftermarket part engine/control devices, or engines with CARB-approved experimental permits;

- ◆ For new equipment purchase projects: the new equipment's engine must be certified to the categorically appropriate NO_x emission standard in effect at the time of purchase, and must reduce NO_x emissions by at least 30 percent;
- ✚◆ For equipment repower projects: (i) the replacement engine must be certified to the categorically appropriate NO_x emission standard in effect at the time of purchase, or lower, if it is replacing an eligible uncontrolled engine, or (ii) the replacement engine must be certified to a NO_x emission standard that is at least 15 percent lower than the current CARB NO_x emission standard, if it is replacing a certified engine;
- ◆ For engine retrofit projects: (i) the retrofit kit must be certified to reduce NO_x emissions to the categorically appropriate level of the new engine NO_x emission standard which is in effect at the time the retrofit, or lower, if it is used to retrofit an eligible uncontrolled engine, or (ii) the retrofit kit must be certified to reduce NO_x emissions by at least 15 percent if it is used to retrofit an eligible emission-certified engine;

◆ **Agricultural irrigation pump engines:** Engines used primarily for pumping water for agricultural purposes that is not regulated by any local, state, and/or federal rule or regulation and that has a horsepower rating of 50 or greater.

◆ **Locomotives:** An engine providing motive power or accessory power in the operation of a rail locomotive.

- ◆ Engines must be tested according to the most recent USEPA test procedures for locomotives;
- ◆ Pre-1973 model year locomotives must test to at least 15 percent below uncontrolled baseline NO_x emissions;
- ◆ 1973 and later model year locomotives must test to Tier 1 or Tier 2 federal locomotive NO_x standards;

◆ **On Road Equipment:** Self-propelled motor vehicles with a gross vehicle weight rating of greater than 14,000 pounds that are manufactured for or designed primarily for use on public roads;

◆ **Off Road Equipment:** Self-propelled motor vehicles that are not on-road vehicles and that have an engine horsepower rating of 50 or greater. Examples of eligible types of equipment under this category are:

- ◆ Agricultural equipment such as tractors, balers, ect.
- ◆ Construction equipment such as cranes, excavators, graders, haul trucks, ect.

Project Life by Category	Default Project Life without Documentation	Default Project Life with Documentation
Off-road – new purchase	10 years	15 years
Off-road – repower	7 years	15 years
On-road – school buses \geq 33,000 GVWR	20 years	N/A
On-road – buses \geq 33,000 GVWR new	12 years	N/A
On-road – new other	10 years	15 years
On-road – repower	7 years	15 years
Locomotive – new/repower	20 years	30 years
Agricultural	7 years	10 years
Forklifts	5 years	>5 years
Auxiliary Power Units (APU)	5 years	>5 years
Airport Ground Support Equipment (GSE)	5 years	>5 years
** All funded projects must operate for a MINIMUM of 5 years within the MDAQMD		

◆ In addition to the above criteria, any proposals for fuel or engine technologies not certified by CARB, or falling outside the categories specifically discussed in this Call for Projects, will be referred to CARB for assistance in evaluation and determination in meeting the requirements of the Carl Moyer Program.

Special Note: Projects funded via the Carl Moyer Program cannot generate Emission Reduction Credits (ERCs) pursuant to MDAQMD Regulation XIV or be used for offsets pursuant to Regulation XIII.

V. APPLICATION SUBMITTAL REQUIREMENTS

Proposers must complete the appropriate application forms, which are provided in Attachment A and which may also be accessed on MDAQMD's website at www.mdaqmd.ca.gov. All applications must follow the directions below and all requested information must be supplied:

- ◆ Applications will be considered for funding immediately upon receipt.
- ◆ Proposals should be directed to:

Jean Bracy, Director, Administrative Services
Mojave Desert Air Quality Management District
14306 Park Avenue
Victorville, CA 92392-2310

Disposition of Proposals - MDAQMD reserves the right to reject any or all proposals. All proposals become the property of the MDAQMD. Proposals are valid only during the current funding cycle that the proposals are submitted.

Modification or Withdrawal - Once submitted, additional information and/or proposal revisions will be considered only at the discretion of MDAQMD. Project proponents should inform MDAQMD immediately if there is need to withdraw a proposal.

Grounds for Rejection - A proposal may be rejected if:

- It is received outside the exact time frames set for receipt of proposals.
- It is not received at the specified location.
- It is not signed by a responsible representative of the proposer.
- The proposal does not meet the criteria set forth in CARB's guidelines.
- MDAQMD staff or the Mobile Source Emission Reductions Committee determines that the project is ineligible.

VI. FUNDING LIMITS

The Carl Moyer Program is intended to fund the **differential cost** only between existing technology and low emission technology. In no case will the amount funded have a cost effectiveness ratio which exceeds \$13,000/ton of NO_x reduced. No administrative costs will be funded. For off-road equipment repower projects, funding is limited to the difference between the total cost of purchasing and installing the new, emission-certified engine and the total cost of either rebuilding the existing engine (when the existing engine is uncontrolled) or the cost of buying a "conventional" replacement engine (when the existing engine is certified to the current standard).

NOTE: In the event that applications are subject to competitive review by the Mobile Source Emission Reductions Committee, some applications may be reduced in scope and/or funding level so that a greater number of applications may be approved. The Committee reserves the right to recommend for approval to the MDAQMD Governing Board only a portion of the proposer's scope of work and funding request. In this case, the proposer may be requested to submit a revised work statement, schedule of deliverables, and cost breakdown.

VII. CONTRACT PREPARATION AND FUNDS DISTRIBUTION

Contract preparation for Carl Moyer Program projects will begin immediately upon approval of projects by MDAQMD staff and will be reviewed by both the District Counsel and the Director of Administrative Services. Those projects that are chosen for funding will be required to complete a contract with the MDAQMD in order to receive funds. Projects must have purchase order(s) issued by July 31, 2005. Funds awarded will be released on a reimbursement basis.

Once a contract has been executed, the MDAQMD will provide the grantee with one final copy of the signed contract and written instructions on how to request funds. The grantee must provide the MDAQMD with the following documents:

1. Verification of appropriate signing authority. The signing authority must be the person authorized in the contract as the person who can act on all fiscal matters on behalf of the funded agency.
2. Verification of all insurance requirements identified in the contract. If self insured, a letter

from a risk manager or the like will be acceptable.

The contract will require the applicant to perform adequate record keeping to substantiate the emission reductions associated with the project. The scope and duration of necessary record keeping will vary depending upon the nature of the project, but will be based upon the engine life identified in the application. The contract will also include requirements for monitoring and reporting by the proposer. The MDAQMD reserves the right to conduct a fiscal audit to ensure appropriate expenditure of the Carl Moyer funds.

Proprietary Rights - Applicants wishing to propose the use of proprietary data developed solely at their own expense should clearly identify such data and the restrictions on its use in their proposals.

VIII. AUDIT PROCEDURES

Any entity that receives funds from the Carl Moyer Program may be subject to an audit of each project funded. The audit may be conducted by MDAQMD staff or by an independent auditor selected by MDAQMD. The purpose of the audit will be to determine if the funds were used in a manner consistent with the Carl Moyer Guidelines and contract terms.

If MDAQMD determines that the funds were expended in a manner contrary to law or not in accordance with contract provisions, MDAQMD will notify the contractor of the determination, and the MDAQMD Governing Board will hold a public hearing at which the contractor may present information related to the expenditure of funds. After the hearing, if the Governing Board determines that the contractor has expended the funds in a manner that is contrary to law or not in accordance with contract provisions, MDAQMD shall withhold monies from the contractor in an amount equal to the amount that was inappropriately expended. MDAQMD may instead choose to seek repayment of funds inappropriately expended.

IX. IF YOU NEED HELP

MDAQMD staff members are available to answer questions during the application preparation period. Please direct inquiries to Roseana Navarro-Brasington, Transportation Program Coordinator, at (760 245-1661, ext. 5706.